



## Alexandria Timeshare Owners' General Meeting

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Minutes of the 4<sup>th</sup> Annual General Meeting, held at 18 W 38 St., 2<sup>nd</sup> Floor, New York, NY

Monday, January 25, 2016

2:00 PM to 6:00 PM

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### In Attendance

1. Charlotte Briscoe
2. Stephanie Crawford
3. George Brakeley
4. Robert Appelbaum
5. Richard Shiu
6. Jack Jordan
7. Patricia Jordan
8. Greg Leimkuhler
9. Paul Duhamel
10. Kathleen Voorhees
11. Erno Grunstein
12. Lewis Kerman
13. Caroline van Sheltinga - WIHL
14. Stewart Howard - WIHL
15. Natasha Howard – Receiver/Finance Director, ARVL
16. Gloria Thomas, GM ARVL
17. Lisa Scarinci, EC Member, Strata 49 ARVL

### On Conference Call:

1. Mark Sokolow
2. Jackie Demski
3. Robert Marchman
4. Diane McCarthy
5. Heidi Szymanski
6. Charlene Zeiberg
7. Theresa Dempsey
8. Rachelle Hoffman
9. Jeffrey Johnson
10. Sergio Civorot
11. Darryn McCarthy

### On Conference call at the Alexandria Resort:

1. Latisha Smith
2. Barbara Pickwell
3. Cynthia Frene
4. Brad Shuler
5. John Dunne
6. Stuart DuBoff

7. Harvey Yorke
8. Martin Naimark

### **Call to order**

Caroline van Sheltinga called to order the general meeting of the Alexandria Resort Timeshare Plan at 2:17 PM on Monday, January 25, 2016.

### **I. Introduction of the Declarant of Alexandria Properties (owned by WIHL)**

Caroline presented the legal history of the Timeshare Plan. In her presentation, she explained the structure of the Timeshare Plan, the land surrounding the building, and the roles of all the players associated with the Timeshare Plan.

The following is a summary of Caroline's report and discussions arising from the report:

On Nov 20th, 2013 Alexandria Properties limited (APL), a company fully owned by Waterloo Investment Holdings Ltd (WIHL) purchased the Chelsea building from the Receiver of The Alexandria Resort & Villas Ltd. (In Receivership) thereby becoming the new 'Declarant'. It also purchased other parcels of land including land comprising the Front Office, pool, restaurant and back of property (maintenance and laundry area), as well as the access road leading to the resort.

When the Chelsea building was sold, the unsold intervals remained with The Alexandria Resort and Villas Ltd (In Receivership) (ARVL).

Upon purchase of the Timeshare property, it was discovered that the Public Offering Statement was not registered with the Registry of Lands and the Timeshare Association (Alexandria Resort and Spa Owners' Association Ltd) was never formed. APL proceeded to regularize the plan and filed a Public Offering Statement with the Registrar of Lands in its capacity of Declarant.

In final, everyone still owns their timeshare. The legal ownership of the unsold inventory separated from the Declarant and transferred to the Receiver enables the Receiver to vote weeks that it owns.

Mark Sokolow: Sought clarification as to whether Brian Brandner (the original Receiver) was incorrect in formally advising the Members that The Timeshare property was out of receivership and hence the timeshare board was formed. Mark ask if Brian's information was contrary to Caroline's statement?

Caroline's Response: Brian Brander was not aware that the Timeshare documents were not properly registered until he attempted to transfer the land title to APL. However, WIHL is currently recognizing the Board as it is and keeping everything in place as it is. Some of the documentation have changed (from the original draft which members were issued prior to the Receivership).

Richard Shiu: Are you saying that the rights we think we had, we don't have because things were not filed properly?

Stewart Howard gave clarification stating that the timeshare building, the underlying land and unsold inventory were in receivership but are no longer in receivership.

Charlene Zeiberg: Has any members' rights changes?

Bob Appelbaum: No member's rights have not changed. The only material change is the number of weeks they (The Receiver) owns. It was believed that they owned approximately 600 weeks but it turns out that they own approximately 750 weeks, representing +/- 40% of the 1632 weeks.

Charlene Zeiberg: Based on the extra weeks owned by the resort, are they responsible for the assessment for all their units and the cost will not be passed onto the members?

Stewart Howard: Of the 1632 weeks, 711 (44%) are held with the Receiver of ARVL, a company that is owned by Washington Misick and is in debt to British Caribbean Bank (BCB). The 711 weeks are not owned by WIHL or its subsidiaries. Therefore, if an assessment was imposed, ARVL (in receivership) is responsible for payment.

Timeshare Owner: Who is financing the debt for the payments of the receivership?

Stewart Howard: Any debt paid out is financed by BCB which further exacerbates its debt.

Timeshare Owner: Who owns the unsold condo inventory?

Stewart Howard: ARVL (in receivership) owns the unsold condo inventory.

Timeshare Owner: Is the bank obligated to pay the assessment charged to unsold timeshare and condo inventory or can it decline?

Stewart Howard: No, the bank is not obligated to pay. The bank can decline payment of the expenditure of the unsold timeshare and condo inventory.

Mark Sokolow: Has the bank made payments up until now?

Stewart Howard: Certainly. Yes.

Mark Sokolow: If shares can be voted, they've got to be paid for.

Stewart Howard: That is correct. In order to vote, members must be in good standing.

Timeshare Owner (Tom Breen): Is the Receiver's interval ownership information confidential or can it be shared with the owners?

Bob Appelbaum: The Board and owners in general have requested to see the register but to date has only received a list of names, not revealing the units/weeks owners' own. We are hoping to receive a revised list. The membership register is maintained at the Resort's office and the right to look at the list was given to every timeshare owner.

Caroline van Sheltinga: quoted from the article 7.1(a) of The By Laws which provides that all members have a right to inspect the Members Register with proper notice.

## II. Change in Fiscal Year

Caroline stated that WIHL has a fiscal year of April 1 – March 31. The fiscal year of the timeshare building was changed to April 1 – March 31 when the property was sold, as approved by the Timeshare Board.

## III. Presentation of the forecast results for the period ended March 31, 2016 and review of the Operational Audit

Natasha Howard stated that the 2015/2016 budget was presented to the Board; however, approval was deferred pending the results of the operational audit of the resort. The audit was to be completed May 2015 but the final results were not presented to management until January 2016 (two weeks ago).

The 2015/2016 forecast v. budget report was presented by Natasha Howard who recapped areas of operation that contributed to significant increase and decrease in expenditure including the following:

- The timeshare financials is expected to end with a deficit of \$92,000.
- Salaries increased by 20% in compliance with the legal minimum wage increase from \$5.5/hr to \$6.25/hr. Management implemented a base salary of \$6.58/hr.
- Saving in the rooms department of \$38,000 due to the closure of the resort in September and October 2015.
- Savings administrative and general areas
- Expenditure increased in the maintenance department due to the need to repair of the Chelsea building elevator repairs that was damaged during the passing of hurricane Joaquin. In addition, the water pump repair cost and general maintenance during the closure of the resort contributed to increased maintenance expenditure.
- Savings of \$25,000 in electricity cost due to the closure of the resort.

Management is proposing the underfunding be dealt with through a special assessment. The cost to the units are as follows Studio - \$48, 1 Bedroom - \$58, 2 Bedroom - \$120

## IV. Presentation of the 2016-2017 Budget

Natasha Howard stated that for the financial year ended March 31, 2017, Management proposes to increase the maintenance fees by \$6.19/square feet. The main increase in cost stems from the rooms department, an increase of \$115,995 contributed mainly by additional staffing and the cost allocation increase from 21% to 30%. The timeshare building account for 30% of the total number of guests on the property. An additional bellman has been added to staff. A Rooms Director (a new position) has been hired and will be responsible for the management of rooms, from check in to check out, as well as overlooking the housekeeping and maintenance departments.

Bob Appelbaum: Several owners have asked for a detailed explanation of the fee “Complimentary Guest Services.” What is included and what is not?

Natasha Howard: This fee includes an array of amenities including the shuttle between the three resorts, kayaks, hobie cat, paddle boards, snorkeling equipment, a pool table, bikes, basketball ring, ping pong table, the managers’ cocktail, BBQ grill and fuel, complimentary welcome drink, use of complimentary laundry machines, keys. This expense increased due to increase in occupancy and increase in the rate from \$5 to \$7.50.

Bob Appelbaum: 15-20 timeshare owners, suggested that Management consider removing the Complimentary Guest Services from the budget and instead assess the guests upon check as a Hotel Amenities Fee to defray this expense. It will be in the Bank’s best interest that the fee be removed as they are paying an expense and their units are hardly rented. The fee should be charged only when the building is occupied.

Caroline van Sheltinga: There is a possibility that the needed \$66,638 may not be raised if assessed to guests based on usage.

Natasha Howard: The security line item is projected to increase by \$7,189 due to increase in internal staff, increased incidences and based on the recommendation the operational auditor.

Natasha Howard: The electricity cost is projected to increase by \$23,700 based on the resort remaining open for the 2016/2017 fiscal year. This number may change depending on whether a decision will be made to close the resort for capital projects in September/October. A number of variables influence the electricity cost including, fuel factor, temperature, and conservation management.

Bob Appelbaum: Will there be a committee to review the proposal of the roof and air conditioning?

Caroline van Sheltinga: Yes, a group of owners.

## **V. Discussion of Capital Budget/Infrastructure Projects and any potential special assessments**

### **a) Waste Water Treatment Plant:**

The project was completed in September 2015. The Cost to the timeshare building is \$100,797, representing 21% of the cost. Reason for over budget: The assessment was based on what an outside consultant advised the project would cost. The budget was approved and assessment had gone out before the project was contracted. The special assessment by unit is as follows, Studio - \$42, 1 Bedroom - \$51, 2 Bedroom - \$104

Mark Sokolow: The Board voted for the project to move forward based on Brian Brandner’s estimated cost and assurance that the timeshare budget had sufficient funds in reserve to cover the cost of the project.

### **b) Roof Repairs**

A proposal was made to assess the timeshare owners \$210,500 for the Chelsea building roof repair. The special assessment by unit is as follows, Studio - \$86, 1 Bedroom - \$106, 2 Bedroom - \$218

Lew Kerman: Why should a roof be replaced after only 6 years?

Mark Sokolow: It would be prudent for the supplier that we intend to deal with to include in their quotations warranties for the manufacturer's full warranty.

### **c) Air Conditioner Replacement**

A proposal was made to assess the timeshare owners \$250,000 for the AC replacement for the Chelsea building. Natasha Howard confirmed that Bryan Air provided in their quote a warranty from Lennox for 5 year on parts. However, if we ever remove the ACs from the roof, the warranty will be voided.

Mark Sokolow suggested that if the roof needs repair in the future, post installation of the new AC units, that only the contractor, Bryan Air be allowed to remove the AC units thereby not breaching the warranty.

As a result, Bob Appelbaum suggested that Mark Sokolow who is appointed to the AC committee ensure that the contracts are written to include provision for such warranties to protect the interests of both the Timeshare and Condo owners.

Mark Sokolow requested to see the roof engineer's report to carefully review as the quote alone is adequate.

The special assessment by unit is as follows, Studio - \$104, 1 Bedroom - \$126, 2 Bedroom - \$259

### **d) Timeshare Software:**

Natasha Howard reported that management is in the process of purchasing a timeshare software to manage the timeshare building exclusively. The aim is to move away from the manual processes. Therefore, it was proposed that the timeshare owners be assessed for the installation cost of approximately \$30,000.

### **e) Booster Pump for Portable Water**

A proposal was made to assess the timeshare owners \$12,485 based on square footage for the portable water booster pump, as per MEP report recommendation. Natasha Howard, stated that the water pressure is not always at the force it should be because the resort needs a pump to increase the water pressure. This will be an upgrade for the entire property.

### **f) Irrigation Pump**

A proposal was made to assess the timeshare owners \$10,404 based on square footage, 21% of the cost, for a new irrigation pump. The existing pump is not adequate to service the entire property. A new pump will distribute water appropriately throughout the property. This cost includes the cost for all the components that make up a complete irrigation system, including installation, sprinkler heads, etc.

Bob Appelbaum: Board Member, John Dunne, is currently on island and questioning why the service light of the waste water treatment system is on.

Natasha Howard: The plant is working properly. The red light indicates that the control panel needs to be checked to ensure that all functions are at the standard level. However, Management has requested of the supplier to provide a formal response which will be shared with all Alexandria owners to assure all concerned that the plant is working properly. All maintenance staff have been formally trained to operate the system. Also, Provo Electric Company, is a certified technician for the system and may be called upon to service the system, if necessary.

#### **g) Soft Furniture Upgrade**

Gloria Thomas, GM, stated that the rooms upgrade purpose is to improve comfort and cleanliness of the units. The upgrade will include: changing drapery, TVs (to digital ones), lamps, soft goods (bed covers and decorative pieces), outdoor cushions, sofa (for one and two bedrooms). The approximate cost per unit type are as follows:

Studio	\$7,900
One Bedroom	\$15,900
Two Bedroom	\$20,600

These are all landed prices based on 2015 quotations.

While Mark Sokolow stated the dressers are useless and non-functional, Charlene Zeiberg commented that the dressers fine but the couches are useless. She also stated that the window treatment in her unit are in excellent condition. Moreover, there are a wide variety of options to be used for soft goods color-wise rather than replacing the drapes. It's best to spend funds on the things that are worn and

A suggestion was made to conduct a survey among the timeshare owners and timeshare renters to ascertain what they'd like to be upgraded and what's priority. Also it was suggested that due to the cost factor, it may be best to at least start with changing the sofa beds as that's the items most owners and their guests complain about.

Gloria Thomas: The upgrade timeline will depend on the extent of the upgrade project. It it's a full upgrade, it may be necessary to close the resort or we will have to monitor the usage of the building.

Caroline van Sheltinga: The upgrade was added to the agenda after so many requests from the timeshare owners. The comments came as a results of the upgrades of the Strata Units. However, the upgrade can

be deferred to the following year, considering the exorbitant amount of assessment to be levied. It's up to the board to decide what they want to do about upgrading the timeshare building.

## **VI. Introduction of Board Candidates**

There are 5 seats on the board. Twelve candidates are vying for a position on the board, two from WIHL. Voting of board members will be deferred. It was recommended that each candidate submit a short resume to be circulated. Board members will be elected each year.

The following persons have submitted their names to the ballot:

- 1) Caroline van Sheltinga
- 2) Heidi Szymanski
- 3) Jackie Demski
- 4) Lewis Kerman (current director)
- 5) Mark Sokolow (current director)
- 6) Mary Martin
- 7) Richard Shiu
- 8) Robert Appelbaum (current director)
- 9) Shelley Pesta
- 10) Stephanie Crawford
- 11) Stewart Howard
- 12) Tom McShane

## **VII. Proposed dated for proxy voting and discussion on voting process**

Voting will take place by ballot by PriceWaterhouseCooper on February 26, 2016. They will check the owner register and ensure that all owners receive a ballot. The ballots will be returned to PWC and counted. Voting must be done via written correspondence. More information will be provided.

## **VIII. Any other business**

Security Concerns:

Timeshare Member: Expressed concern about the amount of traffic on the property and the impact on managing the beach towels. The towel cards help to alleviate the problem of lost towels. Also, Greg stated that securing beach chairs and personal belonging is becoming problematic. He suggested that new hires in the security department attend to this matter.

Gloria Thomas responded that it is an ongoing problem and it's difficult to control as the beach is a public beach and security cannot not make outsiders leave the area. Therefore, additional security has been posted at the beach. Sometimes situation may require intervention of the Police Department.

Water Safety:

Ropes are displaced by boats that come to the resort. Can boat access be relocated? Is the area restricted that can be implement on how many boats can access the beach?



Gloria Thomas: Department of Environment and Maritime Affairs (DEMA) oftentimes take too long to respond; therefore Management is forced to replace the ropes. No restriction can be imposed.

#### Towel Cards:

The towel card system was introduced at the resort to reduce inventory loss. The only way to receive a towel card, guest must be a registered guest or owner. The only way to receive a towel is to present the card at the towel hut. Guests from Blue Haven and The Beach House are registered at the ARVL front desk and given a towel card to access beach towels. The same occurs for the Alexandria guests when they visit the other sister properties.

#### Hobie Cats:

Management has budgeted to purchase 2 hobie cats but only has been purchased to date. Management will implement a usage system which will include a limited time usage.

#### Harassment on the beach by tour promotors and others:

People come on the beach and try to sell illegal products. Management cannot control who access the beach but can only notify the police. If guests are being harassed, they must report the situation to the Front Desk personnel. To help control incidences, additional security staff was hired to better secure the property.

#### Garbage on the beach:

Suggestion was made by an owner to better manage beach cleanliness. Beach staff need to closely monitor the waste receptacles, maybe remove the trash during the day and at the end of the day.

#### Beach Chairs:

The beach staff are in place to monitor the beach chairs. While it can be difficult to manage, we have signage posted at the beach with the beach rules.

#### Loud Music:

Bob shared an owner's comment about loud music. Gloria responded that a selection of Caribbean music is played during the day and jazz or dinner music is played at nights. Every effort is made to control the volume of the music, but most agreed that it's difficult to please everyone.

#### Garbage washing up on shore:

Periodically, the hotel and tourism association organize an island wide clean up, not necessarily on the beach but in areas where tourist visit. The resort is responsible for cleaning up its beach

#### Sharks on the beach:

There has been sighting of shark near the surf but no report of anyone being harmed.

Compliment was made by Lew Kerman that the restaurant is coming along nicely.

Bob Appelbaum made a plea to all owners to vote.

## **Adjournment**

There being no further business, the meeting was adjourned at 5:55 PM.

## **Note for the Record**

These minutes may be read in conjunction with the audio of the full recording of the meeting.

**Minutes prepared by Y. Latisha Smith, Owner Relations Manager**